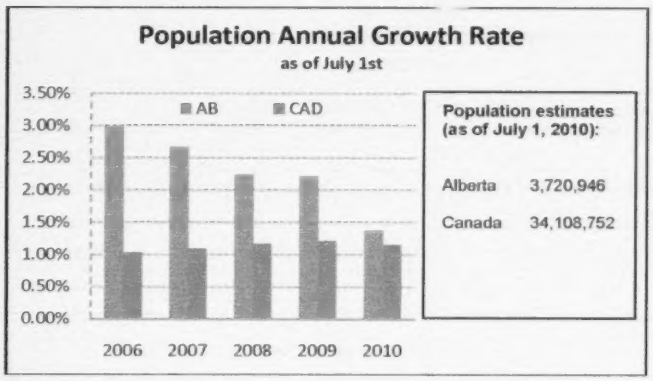
Population Growth

Alberta's interprovincial migration strengthens…

After posting losses in the second half of 2009, Alberta gained 2,820 interprovincial migrants in the second quarter of 2010. Net international migration has also remained strong in the second quarter, reaching a record high of 8,035, although Alberta lost non-permanent residents (which include temporary foreign workers). On a quarterly basis, Alberta's population growth was the fastest among provinces (+0.5%). Almost half of the growth was due to strong natural increase (births minus deaths).

Meanwhile, Alberta's annual population growth slowed to 1.4% for the 2010 census year (the year ending July 1, 2010), down from the 2.2% growth recorded last census year. While this is the slowest increase since 1995, Alberta's population growth is the third strongest among the provinces (after Saskatchewan and British Columbia). The slowdown was due to weaker annual inflows of interprovincial migrants and non-permanent residents. Canada's population growth rate was 1.2%.



Rigs Drilling

Drilling activity retreats in September…

The average number of rigs drilling in Alberta fell to 177 in September (preliminary estimate) from 222 in August. However, historically, drilling activity has slowed in September. On a year-over-year basis, however, the average number of rigs drilling increased by nearly 60%. Drilling activity is now up 62.7% in the first nine months of this year compared to the same period last year.

⇧	**Canadian Dollar (US¢/C$)**	
	October 1, 2010	97.90
	September 24, 2010	97.44
	2010-11 YTD	96.81
⇧	**WTI Oil US$/bbl**	
	September 30, 2010	$ 79.97
	September 23, 2010	$ 75.18
	2010-11 YTD	$ 77.12
⇩	**Nymex Natural Gas C$/MMBtu** *	
	Near-month Contract	
	October 1, 2010	$3.96
	September 24, 2010	$4.03

*Estimate based on Nymex Futures Market Price

Canada Real Gross Domestic Product (GDP)

Canadian economic momentum loses steam…

The Canadian real GDP fell by 0.1% between June and July, the first monthly contraction since August 2009. The slowdown came as no surprise as real GDP growth decelerated sharply in the second quarter of the year. The weakness was widespread, with the manufacturing (-0.7%), construction (-0.5%), and retail (-0.5%) sectors registering the largest decreases owing to sluggish US demand and slowing activity in the housing market. These declines were partially offset by increased activity in the mining and oil and gas sector (+1.1%).

Industrial Product (IPPI) and Raw Materials Price Index (RMPI)

IPPI, RMPI increase in August…

Following no change in July, the IPPI increased 0.4% in August fuelled by higher prices of primary metal products and petroleum and coal products. The RMPI rose 2.2% mainly as a result of higher prices for non-ferrous metals.

Global Developments

Oil prices rise on positive economic news, Loonie surge to multi-week high…

Oil prices surged to a seven-week high of over US$80/bbl this morning. Positive news on US consumer spending and Chinese manufacturing activity as well falling commercial crude inventories boosted optimism that demand for oil is growing. Meanwhile, the loonie rose to an eight-week high of 98.41 US cents during today's trading reflecting weakening US dollar and rising oil and gold prices.

Current Economic Indicators

Population	2008	2009	2010Ytd	Apr	May	June	July	August	Sept
Population[1] (000's) (level)	3,591	3,671	3,721	3702	--	--	3721	--	--
% change NEW!	2.2	2.2	1.4	1.4	--	--	1.4	--	--
Net Interprovincial Migraton[1] (level)	15,317	13,184	-2,183	312	--	--	2820	--	--
Net International Migration[1] (level)	15,641	16,835	21,533	5148	--	--	8035	--	--
Net Non-permanent Residents[1] (level)	18,611	19,162	-77	-47	--	--	-753	--	--
Labour Market									
Employment (000's)	2,013	1,988	1,990	1,979	1,994	2,000	2,009	2,004	--
% change	2.8	-1.3	-0.1	-0.4	0.3	0.6	1.1	1.1	--
Unemployment Rate (%)	3.6	6.6	6.8	7.4	6.6	6.7	6.3	6.5	--
Participation Rate (%)	74.7	74.3	73.3	73.4	73.2	73.3	73.1	73	--
Average Weekly Earnings ($)	923.21	950.13	986.70	993.17	985.03	994.21	992.26	--	--
% change	6.0	2.9	3.8	6.1	4.4	4.2	5.3	--	--
Price Indices									
Consumer Price Index	3.2	-0.1	1.2	1.6	1.1	0.6	1.5	0.6	--
Excluding food and energy	2.1	1.4	0.9	1.4	0.9	0.7	0.8	0.5	--
Non-Res. Const. Cost Index[2] (quarterly)	13.2	-9.8	-2.3	--	--	0.6	--	--	--
Farm Product Price Index	13.5	-10.2	-11.9	3.6	2.4	-6.1	--	--	--
Crops	29.5	-17.5	-23.6	-0.6	-5.7	0.3	--	--	--
Livestock	1.8	-2.5	-2.1	4.6	2.4	-6.3	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	28.3	29.5	29.6	26.9	29.1	23.8	--
% change	-39.6	-31.6	77.2	128.7	107.0	32.5	50.0	15.0	--
New Housing Price Index	0.7	-9.0	0.1	1.0	1.6	1.9	1.5	--	--
Edmonton	1.0	-11.2	-1.8	-1.0	-0.1	0.6	0.2	--	--
Calgary	0.6	-6.7	2.0	2.9	3.1	3.2	2.7	--	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	351.2	359.896	355.5	345.4	352.2	346.0	--
% change	-1.5	-3.1	5.4	7.7	7.1	4.0	3.1	-0.5	--
Edmonton	330.8	319.1	324.1	332.056	317.9	303.9	323.2	324	--
% change	-2.0	-3.5	4.0	8.7	4.4	2.1	1.5	2.6	--
Calgary	401.1	384.3	398.7	401.266	411.5	403.8	402.7	391.1	--
% change	-2.9	-4.2	5.7	6.4	9.2	5.8	5.5	-0.8	--
Retail Sales[3]	0.2	-8.3	4.8	5.3	2.1	3.8	4.5	--	--
New Motor Vehicle Sales	-7.3	-21.7	9.6	6.9	4.7	13.2	10.2	--	--
Consumer Bankruptcies	6,066	9,986	4917	744	672	778	626	--	--
% change	27.2	64.6	-17.1	-11.2	-20.7	-23.8	-28.2	--	--
Business Sector									
Rigs Drilling	236	128	186	62	56	118	199	222	177
% change NEW!	-2.1	-45.6	62.7	51.9	76.4	99.0	135.2	130.3	59.3
Goods Exports (customs based)	35.0	-36.3	17.9	24.1	47.0	17.7	8.7	--	--
Energy	43.2	-40.1	28.8	42.7	77.5	24.4	8.8	--	--
Agriculture	31.8	-10.2	-14.6	-27.6	-5.0	-9.0	-3.4	--	--
Total Farm Cash Receipts (quarterly)	17.2	-8.1	-17.3	--	--	--	--	--	--
Manufacturing Shipments	6.9	-23.7	7.2	10.4	13.1	11.5	12.9	--	--
Wholesale Trade[4]	8.7	-14.1	3.7	5.5	7.5	8.4	12.2	--	--
Building Permits	-16.5	-14.2	22.8	28.1	-11.8	32.5	10.1	--	--
Residential	-31.5	-11.8	74.0	64.6	90.9	53.0	19.3	--	--
Non-residential	3.7	-16.3	-14.9	0.0	-57.7	14.4	-3.0	--	--
Business Bankruptcies	447	405	227	37	35	23	27	--	--
% change	-0.4	-9.4	-5.4	54.2	2.9	-30.3	-22.9	--	--

Government of Alberta ■
Finance and Enterprise

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* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province